Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In Re:	)	
	)	
Delete, Delete, Delete	)	GN Docket No. 25-133
	)	
Incarcerated People's Communications Services; Implementation of the Martha Wright-Reed Act	)	WC Docket No. 23-62
	)	
Rates for Interstate Inmate Calling Services	)	WC Docket No. 12-375
	)	
In the Matter of Universal Service Contribution Methodology	)	WC Docket No. 06-122

COMMENTS

Network Communications International Corp., d/b/a NCIC Correctional Services ("NCIC") submits these Comments in response to the Public Notice, dated March 12, 2025, seeking "public input on identifying FCC rules for the purpose of alleviating unnecessary regulatory burdens."[1] In particular, the FCC called for public comment identifying "deregulatory initiatives" in connection with the release of a series of Presidential Executive Orders identified in the *Delete PN*.[2] The *Delete PN* referenced seven policy factors for parties to consider when submitting their comments.

As discussed below, NCIC recommends that the FCC exclude interstate and international Incarcerated Persons Calling Service (IPCS) revenues from inclusion

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[1] *See In Re: Delete, Delete, Delete*, Public Notice, DA 25-219 (rel. March 12, 2025) (the "*Delete PN*").

[2] *Id.*, pg. 1, nt. 1.

in the assessable revenue base for the federal Universal Service Fund. NCIC filed a Petition for Forbearance in 2019 seeking similar relief, but the FCC rejected the request.[3] The contribution factor was 24.4% at that time; today it is 36.3%. NCIC argued that many IPCS customers paying USF ancillary fees are otherwise eligible to receive assistance from USF programs.[4] As a result, IPCS customers' payment of USF charges has led to the absurd result of USF-eligible recipients actually contributing to the very programs from which they receive services.

Additionally, NCIC urges the FCC to reduce the significant cost imposed on IPCS providers in connection with the annual reporting and certification requirements set forth in Section 64.6060 of the FCC's rules. The 2024 Report and Order in the IPCS proceedings created new reporting obligations,[5] which will significantly increase the paperwork burdens that IPCS providers will incur in submitting their annual reports (FCC Form 2301a). Because the FCC has determined that most, if not all, IPCS providers are classified as small business entities, NCIC requests that the FCC revisit whether the substantially greater data collection requirements now imposed on IPCS providers are in the public interest.

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[3] *Petition for Forbearance of Network Communications International Corporation*, WC Docket No. 19-232 (filed Aug. 9, 2019) ("*NCIC Forbearance Petition*").

[4] *Id*, pgs. 6-8.

[5] S*ee Incarcerated People's Communications Services; Implementation of the Martha Wright-Reed Act and Rates for Interstate Inmate Calling Services*, Report and Order, Order on Reconsideration, Clarification and Waiver, and Further Notice of Proposed Rulemaking, 39 FCC Rcd 7647 (rel. July 22, 2024) ("*2024 Report and Order*")

DISCUSSION

In the *Delete PN*, the FCC sought comment on whether "certain policy factors" require the modification or elimination of FCC rules.[6] Because NCIC is the largest privately owned IPCS provider in the United States, it is uniquely positioned to address the impact of specific policy factors on its business.

A. Impact of USF Tax on IPCS Providers and Consumers.

Currently, IPCS providers are required to contribute to the Universal Service Fund for each completed interstate and international call under Section 54.706 of the FCC's rules and are permitted to recover the cost of the USF contribution under Sections 54.712 and 64.6000 of the FCC's rules.[7] On August 9, 2019, NCIC filed a Petition for Forbearance to exclude IPCS revenues from USF assessments. Almost one year later, amid the COVID-19 pandemic, the FCC denied NCIC's Petition.[8]

At the time that NCIC filed the Petition for Forbearance, the USF contribution factor was 24.4%,[9] and NCIC demonstrated that the IPCS contributions only accounted for about 0.5% of the $11 billion Universal Service

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6 *See Delete PN*, pgs. 2-5 (listing the following policy factors: (i) Cost-Benefit Analysis; (ii) Implementation Experience; (iii) Market and Technological Changes; (iv) Regulations as Barriers to Entry; (v) Regulatory Overlap and Redundancy; (vi) Legal and Constitutional Considerations; and (vii) Other Considerations).

7 *See* 47 CFR §§ 54.706, 54.712, 64.6000 (Authorized Fee).

8 *See Petition of Network Communications International Corporation for Forbearance Pursuant to 47 U.S.C. Section 160(c) from Application of Contribution Obligations on Inmate Calling Services; Securus Technologies, LLC Request for Waiver of Section 54.706*, Order, 35 FCC Rcd 8348 (2020).

9 *See 3rd Quarter 2019 USF Contribution Factor is 24.4 Percent*, Public Notice, DA 19-559, pg. 5 (June 12, 2019).

Fund.[10] On March 13, 2025, the FCC announced that the USF contribution factor for the second quarter of 2025 will be 36.6%.[11] While the FCC has recently lowered the IPCS rate caps,[12] the increase in the USF contribution factor will all but eliminate any consumer relief the FCC had expected to deliver.

Therefore, NCIC recommends that the FCC delete the IPCS revenues from Universal Service Fund assessments. By doing so, the FCC would better advance the FCC's policy goals articulated in Section 254(b) of the Communications Act to ensure that IPCS rates are "just, reasonable, and affordable" and that "access to advanced telecommunications and information services [is] provided in all regions of the Nation."[13]

B. Eliminate Or Reduce Annual Data Collection Requirements.

In the *2024 Report and Order*, the FCC revised Section 64.6060 to substantially increase the data collected from IPCS providers.[14] As a result, the FCC recently estimated that the annual time burden for preparation of these reports would increase from 6,690 hours to 15,175 hours due to new rules relating to disability access, alternative pricing plans, inactive accounts, consumer disclosures, and waiver reporting.[15]

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10 *See NCIC Forbearance Petition*, pg. 10.

11 *See Proposed Second Quarter 2025 Universal Service Contribution Factor*, Public Notice, DA 25-223 (rel. March 13, 2025).

12 S*ee 2024 Report and Order*, 39 FCC Rcd at 7650.

13 *See* 47 USC § 254.

14 *See 2024 Report and Order*, 39 FCC Rcd at 7942-7945.

15 *See Information Collections Being Reviewed by the Federal Communications Commission*, Public Notice, 90 Fed. Reg. 14,370.

NCIC has sought reconsideration of the *2024 Report and Order*[16] and an appeal in the U.S. Court of Appeals for the First Circuit involving three IPCS providers, 17 state attorneys general, two sheriffs associations, and several individual sheriffs is also pending.[17] Moreover, two parties filed Paperwork Reduction Act (PRA) comments regarding the substantial impact that the revised annual reporting requirements would impose on IPCS providers.[18] The FCC rejected the arguments presented by Securus and ViaPath, noting several times that the OMB's review of the paperwork burden associated with the annual reporting requirements was not the appropriate forum for raising such concerns.[19]

Thus, if OMB's review of compliance with the PRA is not the proper forum for raising concerns about the onerous new burdens imposed on IPCS providers, then NCIC respectfully suggests that the FCC take the necessary remedial steps in connection with the *Delete PN*.

First, the FCC should delay the next scheduled FCC Form 2301(a) filing until the appeals and requests for reconsideration of the *2024 Report and Order* are resolved. Requiring IPCS providers to file annual reports to satisfy a reporting requirement that may be revised or eliminated fails any reasonable cost-benefit

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16 *See Petition for Reconsideration*, Network Communications International Corp., d/b/a/ NCIC Correctional Services, WC Docket Nos. 23-62, 12-375, filed Oct. 21, 2024.

17 *See In re: MCP 191*, Case Number 24-8028 (filed Sept. 19, 2024).

18 *See Paperwork Reduction Act Comments of Securus Technologies, LLC,* filed Jan. 7, 2025; *See also Paperwork Reduction Comments of Global Tel*Link Corporation d/b/a ViaPath Technologies*, filed Jan. 7, 2025, WC Docket Nos. 23-62, 12-375, OMB 3060-1222, FR ID 254149.

19 *See Revised April 2025 IPCS Rules Supporting Statement Final Version*, OMB 3060-1222 (https://www.reginfo.gov/public/do/DownloadDocument?objectID=155788400).

analysis, especially in light of the FCC's finding that IPCS providers are considered small entities.[20] NCIC estimates that its staff spent more than 900 hours preparing its response to the 2023 Mandatory Data Collection.

Moreover, because the FCC adopted a staged implementation of audio and video IPCS rate caps in the *2024 Report and Order*, the collection of 2024 and 2025 data relating to rates, site commissions, and ancillary fees from IPCS providers will be incomplete at best, and most likely unusable by the FCC to determine compliance with its rules.[21] The FCC has previously had difficulties collecting uniform data from IPCS providers based on different reporting methodologies, and it's likely that the 2025 Annual Reporting filing will present similar challenges.[22] This is especially true when an IPCS contract expires between the four articulated effective dates, and the FCC's rules require the applicable rate cap to go into effect upon expiration.

In fact, the FCC acknowledged the importance of receiving accurate information as a justification for further extending the deadline to submit the 2025 Annual Reports from June 2, 2025 to September 15, 2025.[23] In doing so, it cited the

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20 *See 2024 Report and Order*, 39 FCC Rcd at 7989 (Appendix B).

21 *Id.*, *2024 Report and Order*, 39 FCC Rcd at 7950-7951 (establishing four separate effective dates, along with a variable effective date upon a contract's expiration date).

22 *See Incarcerated People's Communications Services; Implementation of the Martha Wright-Reed Act; Rates for Interstate Inmate Calling Services,* Order, 38 FCC Rcd 6625, 6635 (WCB/OEA July 26, 2023) (noting the "ambiguity" of certain IPCS providers' accounting practices and use of disparate accounting systems).

23 *See Incarcerated People's Communications Services; Implementation of the Martha Wright-Reed Act; Rates for Interstate Inmate Calling Services*, Order, DA 25-338 (rel. April 11, 2025).

need for "complete and accurate data" so that it can monitor, track, and ensure compliance with the FCC rules.[24] NCIC has strongly encouraged the FCC to "ensure compliance" its rules, as reflected in its numerous submissions detailing violations.[25] The Prison Policy Initiative also filed complaints against five IPCS providers on March 4, 2021, which, to undersigned counsel's knowledge, did not result in any enforcement actions.[26]

Therefore, given the substantial increase in the "annual time burden (hours)" from 6,690 to 15,175 hours and the fact that all IPCS providers are considered small entities in connection with the Regulatory Flexibility Act of 1980, as amended, NCIC urges the FCC to delete, or otherwise postpone, the requirement to submit an Annual Report pursuant to Section 64.6060 until such time that the revised IPCS rate caps are in effect. Small businesses such as NCIC expend significant time to satisfy the FCC's reporting requirements, and the FCC's collection of incomplete,

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[24] *Id.*, pg. 3.

[25] *See Notice of Ex Parte Presentation of NCIC Correctional Services*, WC Docket Nos. 12-375, 23-62 (July 12, 2024); *See also Notice of Ex Parte Presentation of NCIC Correctional Services*, WC Docket Nos. 12-275, 23-62 (July 10, 2024). *See also Notice of Ex Parte Presentation of NCIC Correctional Services*, WC Docket Nos. 12-375, 23-62 (May 24, 2024); *See also Notice of Ex Parte Presentation of NCIC Correctional Services*, WC Docket Nos. 12-375, 23-62 (April 19, 2024); *See also Notice of Ex Parte Presentation of NCIC Correctional Services*, WC Docket Nos. 12-375, 23-62 (Feb. 14, 2024); *See also Notice of Ex Parte Presentation of NCIC Correctional Services*, WC Docket Nos. 12-375, 23-62 (Feb. 5, 2024); *See also Reply Comments of NCIC Correctional Services*, WC Docket 23-62, pgs. 9-10 (July 12, 2023); *See also Comments of NCIC Correctional Services*, WC Docket 23-62, pg. 4 (May 8, 2023).

[26] *See Notice of Ex Parte Submission of Prison Policy Initiative*, WC Docket No. 12-375 (March 23, 2021)(providing copies of complaints filed against Global Tel*Link Corp., Combined Public Communications, LLC, Encartele, Inc., Reliance Telephone of Grand Forks, Inc., and Prodigy Solutions, Inc.).

confusing, and/or irrelevant data from IPCS providers fails any reasonable cost/benefit analysis.

CONCLUSION

NCIC shares the FCC's goal of adopting just, reasonable, and fair IPCS rates and fees. By adopting the recommendations herein, the FCC will provide immediate relief to IPCS customers by eliminating the pass through of USF charges and delaying the implementation of the Annual Reporting requirement for IPCS providers until final IPCS rate caps are in effect for all facilities.

Respectfully submitted,

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